

Testimony for 5511 and 5536

By Anonymous

I wish to give you my testimony as a condo unit owner in the Quiet Corner of CT who has lived here for almost eight years. The bill numbers from the CT Condo Coalition are 5511 and 5536. As a senior woman living alone, I thought that condo living would be an ideal fit. Or so I thought. Once you find out the things that transpire at condo complexes, you soon learn you've been duped on many fronts, mainly financial. I quickly learned condo living is often a ripoff. And so, I offer you my personal testimony of what one woman has endured in a complex that I thought would be a great place to live. Let me begin with what can only be titled MISAPPROPRIATION OF FUNDS.

Under this category I list several things I have endured/witnessed or been a victim of, starting with the inception of the new phase of this complex. The first phase was built 20-25 years ago and was poorly built, and sorely mismanaged and neglected for years. Fast forward to 2004 when the board then decided they could 'rescue' the old bldgs by bringing in a developer who would put up new units and we would be the pillars on which the old sick buildings could look to us to be their pillars holding them up financially. My first clue all was not well after I moved in. When this new development in 2004 began the developer gave the board \$250,000 for the 'privilege' of building here. The then president of the board asked the (old bldgs) unit owners if they wished to put that money into their buildings as they were falling apart, or did they want money in hand...most vouched I was told, to take money for themselves, \$3,000 each as explained to me. There were 60 owners at that time who supposedly each received 3,000 and the other \$70,000 was for legal fees, as I was told by the president. Of course, none of us were ever given any proof of what actually transpired and some of the folks who lived in those old units told me they never got a dime which leaves one thinking where did all that money go and who got what?

Another huge misappropriation of funds lies with the fact that each of us new condo unit buyers had to pay 5% extra at closing to the developer who then kicked that money back to the association. We were told at that time that those monies would go into reserves, with 40% into permanent reserves and the other 60% into temp reserves.

With about 90 new units here that meant that each new buyer gave an average of \$10,000 to the builder who then gave it to the association.

All in all the association would have gleaned about \$1,000,000! This means that today we should have that original permanent reserves figure of \$400,000 plus the interest it would have made in the last half dozen years, but it is now nonexistent and we have nowhere near that in any/all reserves. In fact, we never even see any accounting of investments made or the interest gleaned. Adding insult to injury, within a couple years the board deleted the word Permanent Reserves, meaning, it is no more. This to me is a criminal case that should be investigated and a huge red flag of mismanagement or possibly fraud. For sure, it falls under the Bait and Switch idea of telling you one thing, doing another, and leaving us without perm reserves. For our generosity in fixing up old buildings, we the new unit owners have no reserves if we should need issues dealt with in the future!

We have \$23,000 in condo arrears at a 160 unit complex. People who live in the old section have told me when they get fed up and don't get answers or things fixed they just don't pay condo fees. This means that not only are the new unit owners shafted via paying for years of neglect

and improvements needed by the old buildings, but we also fork out most the condo fees which pay for services, which have been not all that desirable or competent for 8 years.

With putting out 40,000 to \$50,000 each year for both lawn care and snow plowing, services are woefully lacking. Further with many buildings here having postage size lots, we could get local guys to do this work for a fraction of the cost. A total of \$80,000 or more a year for both those services is a big joke on all of us considering the kids they hire to do the work get \$12 an hour, but the mgmt company charges us \$75 an hour PER WORKER...THAT'S LOTS OF money wasted. And one wonders if when these contracts are written up, if there isn't a split going on between mgmt company or board and contractor, Again, how would unit owners know when transparency isn't order of the day!

We have no idea of how many units are being rented here. That should be required info available to anyone looking to sell to a prospective buyer who has every right to know how many units are being rented. As well, we don't have a tight figure on foreclosures. I recently asked how much our legal fees were when we had to defend ourselves against the developer who sued us a couple years ago...again, NO answers. I was put off as if that were a nuisance question and they had no way of obtaining such information. Sheer balderdash in my book! The developer was told in 2008 to stop building as units were not selling, so he in turn sued the association. Strange thing is that for the first few years both he and the association shared the same lawyer...a HUGH RED FLAG AGAIN. I often feel like I'm in China...red flags galore! How many condo complexes have the association and the developer sharing the same lawyer? This is obviously a big no-no!

We receive no hard copy minutes or financial statements and at condo meetings often treated with contempt or mocked if we ask questions which they prefer not to deal with. I was asked a couple years ago if I would like to serve on a budget committee, as I often had questions about the finances here. I said, "Yes, I would love to", but then the President quickly countered with, "fine, you can be on that committee, but be forewarned, you can't ask ANY QUESTIONS ABOUT FINANCES!"

Obviously, not being born yesterday, I knew the jig was up and if I couldn't see numbers or ask questions this was a huge red flag as well. I refused to sit on a board and be silent or a stooge. I attempted to make my unit warmer with external insulation to cut my heating bills by 1/3, but was told to remove said insulation as it was against condo docs. The president allowed the builder to give us these useless heat pumps not even meant for New England winters. I spoke with two manufacturers who told me that they are useless for our winters, but great in Santé Fe or Texas for a/c and hot weather. Needless to say, owners here pay astronomical electric bills in bad winters. Last winter for the worse month, my bill was over \$1,000 for one month, and I thought that was bad until I spoke with neighbors that paid a couple hundred or three hundred more than myself. What is worse, we are not even warm! Clearly this is so outrageous, especially for senior woman living on social security.

When I was told to remove that insulation I contacted the AG at that time who answered that year that he wished to form a state condo commission for he got hundreds of similar complaints each year, but alas, the budget didn't allow for him to form that commission. His idea was that I should get a lawyer...something anyone on a fixed income is unable to do, especially when the choice is between heating or eating!

So in less than eight years, I have forked out over \$24,000 for condo fees with that original 5% at closing. For this, I have received untold heartache, cold nights as these units don't stay warm with heat pumps, get lousy snow plowing and fair to middling lawn services. My blood pressure has gone through the roof since living here and the stress level of dealing with people whose

IQ's are smaller than their shoe size is frustrating at best. I have a good understanding for those small foreign store owners who must pay monies extorted from them!

I know local realtors who have told me they would never bring any buyers back here for the long history of mismanagement, either when it was a self managing HOA or now with mgmt companies. With the latter, we seem to play musical mgmt companies...a new one every couple of years, ditto with the insurance companies who find out the problems here and then drop us like a lead balloon.

Problems/issues are rarely addressed until they are so bad as one death almost ensued several years ago. A professional opera singer with the Rhode Island Philharmonic who lives here told me how she complained about her roof leaking for three years and got no responses ever. The upshot of that was mold within her unit that culminated in severe allergies, the loss of her voice and a massive heart attack from the mold. She spent months in a hospital clinging to life, and then only then, did they fix her roof. About three years ago they put new roofs on the old buildings and people living back there told me that they were leaking in less than a year. A realtor told me the next things needed are new frames/windows for the old buildings. So while those old unit owners feel free to skip out by not paying condo fees, we new people in new units are expected to be the welfare dept for the board that needs to pick pockets to pay for years of unrelenting incompetence.

The developer was a real piece of work on top of all the aforesaid, I have spoken to many women living alone here, either divorced, single or widowed and each one had a tale to tell of how he intimidated or got more money out of them. For myself he came to me about two weeks before my closing and demanded that I give him \$50,000 as he needed that to complete my unit...being naive, I gave him that money as I had sold my house and needed to move so my buyer could move.

Lucky for me I did close, but a couple more would be unit owners were not so lucky. They had given the developer tens of thousands towards their to be built condos and then the developer told them months later that he would not be building anymore. Those folks then asked for their money back and were told by the builder the money was gone. I don't know the outcome of that, but needless to say this was criminal behavior. The developer was very intimidating with women.

I could write a few more pages easily on all the transgressions and the lack of transparency here, not to mention the meager reserves, the pet projects like prettifying the place when essentials are more necessary...and we all pay for it through the nose and have no say, like when they wanted to build a club house.

The president asked me if I would call all the neighbors around me/about 25 units to find out if they would vote to have a new club house. All responded 'no way, no interest'. I then wrote the board and told them their responses, and days later, got a letter in the mail telling me they didn't care what me or my neighbors wanted, they were going to build it anyway and we would finance the upkeep and astronomical heating bills...the place has got 22 windows...pretty dumb considering it's heated with a heat pump and only used a couple times a month!

Please consider us with these bills. Our rights as unit owners are long neglected. Much of what I explained above falls under criminal wrongs.